

31 July 1980

NOTE FOR:

Mr.
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Following our meeting with [redacted] asked for an opportunity to redraft [redacted] memorandum to the Director on [redacted] a single system.

[redacted] agreed to this and suggested that the memo be jointly signed.

[redacted] asked me to prepare a draft reflecting concerns expressed at our meeting. The results of that effort is attached. In addition, it incorporates the sense of the concerns expressed by Mr. McDonald, D/Logistics in a memo of 22 July 80 (copy attached). There has been no official word yet from the third addressee, Director, Office of Development and Engineering.

May I have your comments by Thursday, 7 August.

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DD/A Registry
80-01226/10

22 JUL 1980

MEMORANDUM FOR: SA to the DCI for Compartmentation

FROM: James H. McDonald
Director of Logistics

SUBJECT: Single System Implications

REFERENCE: Memorandum for D/S, D/L, D/OD&E, from SA to
DCI for Compartmentation, dated 1 July 1980,
same subject (OL 0 3036)

1. Referent transmitted a draft letter to the Director of Central Intelligence which describes certain implications of implementing the single control system for Sensitive Compartmented Information (SCI). Addressees were requested to provide their views on the draft letter.

2. The effort to achieve uniform, community-wide standards under the System is commendable, and we agree that the DCI and other senior Agency officials need to be more aware of the issues and tradeoffs involved. The challenge will be to achieve uniformity in the interpretation and application of whatever uniform standards are eventually adopted without there being a deterioration in the overall effectiveness of our security efforts.

3. We are concerned that uniformity, as defined, may eventually mean the acceptance by the Central Intelligence Agency of lower standards already in use by other agencies of the Federal Government. It would also appear, if we allow other agencies to inspect and make recommendations concerning CIA operational matters as your draft letter indicates, that CIA Program Managers and Contracting Officers would stand to lose the necessary degree of control over their own activities. Neither diminished standards nor diminished control seem advisable to us. We recommend strongly against any approach which would have such results. With this view in mind, we do not necessarily agree that (as suggested in paragraph 1 of the draft letter) all parties, especially the taxpayer, would benefit from uniform action unless the security standards to be met are sufficient to allay our concerns.

4. Your suggestion that the basic issues be aired in the presence of the DCI and other high-level Agency officials is one that we can support. Certainly, some such forum must be used to resolve the concerns that many Agency managers feel.

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Attachment:

Reference

Regarded as DD/Ad
when separated from

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Draft #2
31 July 1980

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

25X1A FROM: [redacted]
Special Assistant to the DCI
for Compartmentation

25X1A [redacted]
25X1A DCI [redacted] Security Officer

25X1A SUBJECT: [redacted] - One System for Industry

25X1A 1. As [redacted] proceeds there is concern about the task of
25X1A assuring industry that the U.S. Government can in fact deal in
accordance with a single set of SCI reules. As previously noted,
at least ⁺ some industrial representatives are without faith in
the Government's ability to act on a single set of procedures.

2. This concern exists within CIA. Not all senior managers
see concrete advantages or even broadly desirable aspects in
creating a uniform Government-wide process for dealing with SCI
and industry although they do commend the effort in the abstract.

3. The problem stems from a difference in perception of what
a single system means. For example, to industry one system means
that:

- Personal history statements, background investigations and other aspects of personnel security will be standardized while in CIA and NSA the polygraph interview is an added and hard won procedure not to be surrendered in the interest of arriving at uniformity with other departments that don't use polygraph.

- SCI accesses would be interchangeable among government agencies while in fact, government security elements will not accept another agency's approval without insisting on some additional checking.

- Inspections done by one agency would be accepted by other agencies while in actuality departments see this as a loss of control.

- The Government would be satisfied with one Non-disclosure Agreement while in practice each agency will want the contractor to sign a separate one.

- There would be only one implementation manual of the policy statements while in reality each agency will want to publish its own with all the potential this implies for variation in interpretation of policy and thus a breakdown of the single system.

4. The concern with calls for uniformity is viewed in the Agency as meaning an eventual acceptance of lower security standards and loss of a degree of control over Agency activities. The mistrust

in industry stems from a perception that this desire to retain independent departmental standards and controls is bureaucratic in nature and will compel a multiplicity of at least redundant and most likely diverse procedures similar to what we have today.

5. We have discussed this issue and mutually recognize each others concerns without fully assuaging or satisfying their root cause.

6. The Office of Security, CIA is justifiably proud of its record in working with industry in a flexible, "can-do" way which led to the success of the [REDACTED] 25X1A

25X1A [REDACTED] while at the same time imbued these activities with a security discipline which has achieved its purpose, the secure realization of their purpose and goals. This has been achieved by high standards, to be sure, but also by flexibility, sensible and practical on-the-spot decisions where deviations from the norm were required. In this vein, the Director of Security voices concerns shared by Agency managers.

7. In his hat as your [REDACTED] Security Officer, the Director 25X1A of Security acknowledges and agrees that it is necessary to ensure that you are completely cognizant of the necessity if the single system is to become a reality for abolishing at least the gross appearances of imposing varying security standards upon industrial contractors by different Government agencies. While it is realized that efforts to reach a common standard often result in achieving the lowest common denominator standards, it is essential that we reach a common understanding of what a "single system" entails.

8. We believe that while the problem may not be of magnitude yet, more effort is necessary now to assure that all hands recognize what is involved throughout the Community and that the CIA must be as pure as ivory in this context.

9. We request, consequently, that we speak on this problem in the presence of you and Mr. Carlucci to the Deputy Directors. A DCI Staff meeting augmented for this purpose by the Directors of Logistics, OD&E, NPIC, and OSO, Ev Hineman as CIA SIO and whomever else you suggest might be appropriate. We would take perhaps 10 minutes.

10. After CIA's house is very clearly in order, a presentation probably should be made at NFIB, but a recommendation to that end should await assurance of clear perception by CIA officials.

11. We recommend that you approve a brief discussion by us of these concepts and problems at an appropriate gathering when you and the DDCI can participate. This memorandum was coordinated with the Director of Logistics and Office of Development and Engineering. They feel that some such forum must be used to resolve the concerns that many Agency managers feel and they support this proposal.

12. All of the above paragraphs are classified CONFIDENTIAL.

- Draft -

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